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September 12, 2003

Ex Parte Presentation

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Application by SBC Communications Inc., et al. for Provision
of In-Region, InterLATA Services in Illinois, Indiana, Ohio,
and Wisconsin, WC Docket No. 03-167*

Dear Ms. Dortch:

On behalf of SBC Communications Inc. ("SBC"), I am writing to inform you that representatives of SBC met yesterday (both in person and on the telephone) with FCC staff to discuss various issues, including performance-measurement testing, change management, and OSS. The following people participated on behalf of SBC: Martin E. Grambow, John T. Lenahan, Kelly M. Murray, Robert J. Gryzmala, Randall Johnson, John D. Mason, Salvatore T. Fioretti, James D. Ehr, Justin W. Brown, John J. Muhs, Beth Lawson, Michael E. Flynn, Daniel R. McKenzie, Rebecca L. Sparks, Jamie Williams, and Geoffrey M. Klineberg. The following participated on behalf of the FCC: Jeremy Miller, Pamela Arluk, Cathy Carpino, Jeffrey Tignor, and Rodney L. McDonald.

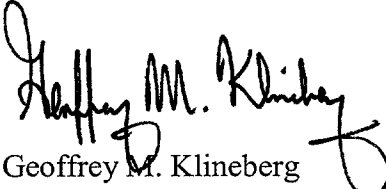
At the request of FCC staff, SBC is providing a written response to some of the questions raised during the meeting. See Attachment A. In addition, upon further review, SBC has discovered a minor error on page 32 (within paragraph 61) of the Joint Reply Affidavit of Justin W. Brown, Mark J. Cottrell, and Michael E. Flynn (Reply App., Tab 2). SBC is submitting revised pages that incorporate the correction. See Attachment B.

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In accordance with this Commission's Public Notice, DA 03-2344 (July 17, 2003), SBC is filing this letter electronically through the Commission's Electronic Comment Filing System. Thank you for your kind assistance in this matter.

Sincerely,


Geoffrey M. Klineberg

Attachments

cc: Pam Arluk
Janice Myles
Jon Feipel
Karl Henry
Hisham Choueiki
Nicholas Linden
Layla Seirafi-Najar
Qualex International

ATTACHMENT A

1. Were BearingPoint's tests and Ernst & Young's audits virtually identical in all five Midwest states?

Yes. BearingPoint's OSS testing, including its performance metrics review, is substantially the same in each of the five Midwest states. Although there are slight differences in MTP from state to state, these differences are not substantial. See Brown/Cottrell/Lawson Reply Aff. ¶ 7; Johnson Aff. ¶¶ 28-29 (Illinois); Butler Aff. ¶¶ 30-32 (Indiana); McKenzie Aff. ¶ 31 (Ohio); VanderSanden ¶¶ 27-30 (Wisconsin).

The performance measurement systems and procedures that are being evaluated in BearingPoint's PMR testing are also substantially the same in all five states, as are the PMR test results. For the substantial similarity of the systems and procedures tested in each state, see the Ehr/Fioretti Affidavit at paragraphs 62 (PMR2), 63 (PMR3), 67 (PMR1), 98 (PMR 4), and 114 (PMR5).

For the substantial similarity between states with respect to PMR test results see the Ehr/Fioretti Affidavit paragraphs 52-61, and the Ehr/Fioretti Reply Affidavit paragraphs 43 and 46. However, there have been a few instances where PMR5-3 or PMR5-4 test results differed among the states. The reason for these PMR5 state differences is that some of the State commission have directed BearingPoint to use Version 1.8 of the performance measures business rules as modified with the "documentation only" changes agreed upon in the last six-month review. These changes clarified many of the business rules and enable BearingPoint to change certain "Closed –Not Satisfied" findings impacted by those recently modified business rule changes to either "Indeterminate" or "Satisfied." See Ehr/Fioretti ¶¶ 116-117. The other potential difference could occur in PMR5-2 where actual state specific data may lead to different test results. These state specific data differences could be attributable either to a different product or service mix in a state or to a state specific issue with the data file itself. In a recent Metrics Update Report this type of difference was limited to on test point (PMR5-2-D) for one state, Wisconsin. See Ehr/Fioretti Aff. ¶ 117.

E&Y's performance audits were the same in all five states. See Ehr/Fioretti Aff. ¶ 18 & n.7. See also Ehr/Fioretti Reply Aff. ¶ 29.

2. Are the SBC OSS systems substantially the same in all 5 Midwest states?

Yes. Although SBC does not rely on a "sameness" showing to establish compliance with the OSS requirements of section 271 of the Act in the 4-state application, the various systems, databases, and personnel (collectively referred to as OSS) used by SBC Midwest to provide service to its customers – and through which SBC Midwest provides pre-ordering, ordering, provisioning, maintenance and repair, and billing functionality to the CLECs – are substantially the same in all 5 Midwest states. See the following:

- Cottrell/Lawson Affidavit ¶¶ 50, 56, 59, 77 and 139, confirming that SBC makes its pre-ordering interfaces (Verigate, EDI pre-order and CORBA), ordering interfaces (EDI and LEX), and maintenance and repair interfaces (EBTA GUI and EBTA) available to CLECs in all 5 Midwest states; ¶¶ 43, 47, 155 and n 21, confirming that

these interfaces are uniform throughout SBC's 13-state region; ¶¶ 12-17 and Attachments E-H and N, providing total volumes processed by SBC's OSS interfaces in the Midwest Region; and ¶¶ 96-101, confirming that the service order processing flow is the same for all 5 Midwest states. See also Brown/Cottrell/Lawson Reply Affidavit, Attachment A, for similar information filed in the Michigan 271 Application;

- Muhs Affidavit ¶¶ 4-12, confirming that the same suite of operations support systems, and the same basic process flows, are used in all 5 states for the provisioning and maintenance/repair of retail and CLEC products and services;
- Brown/Cottrell/Flynn Affidavit ¶¶ 29-31, confirming that the same billing systems are used, managed, monitored and maintained on a region-wide basis for all five SBC Midwest states; and
- Brown Affidavit ¶¶ 3, 5, 7, 41, 43 and in general, establishing that the SBC Midwest LSC and LOC organizations operate on a regional basis, using the same systems, processes and procedures for providing manual pre-ordering, ordering, provisioning, maintenance and repair and billing services to CLECs in all 5 Midwest states.

3. In SBC's application, it indicated that BearingPoint would complete PMR 4 testing by the end of August 2003. What is the current PMR 4 status and estimated completion date?

The status of PMR 4 is incomplete, but no material issues are open. As of August 15, 2003, of the 40 applicable test points in PMR 4, BearingPoint had completed its initial evaluation of 16 PMR4 test points; and 13 of those test points, or 32.5%, were "Satisfied," and 3 test points, or 7.5%, were "Not Satisfied" and in "Retest." The remaining 24 test points, or 60%, were "Indeterminate." See Ehr/Fioretti Reply Aff. ¶ 72. On August 29, 2003, BearingPoint issued Performance Metrics Update Reports for each of five states. These most recent Update Reports, show that Bearing Point has now completed 18 PMR 4 test points, and of those, 15 test points, or 37.5%, are "Satisfied," and 3 test points, or 7.5%, are "Not Satisfied" and in "Retest." The remaining 22 test points, or 55%, are "Indeterminate."¹

The Ehr/Fioretti Affidavit at paragraphs 104-113 and Attachment B detailed the status of the then five PMR4 Exceptions that were open and affecting PMR4 test points. On August 19, 2003, the BOC Applicants provided an updated Attachment Bv2, reflecting PMR4 status as of August 15, 2003.² Only one³ of the five PMR 4 exceptions remained "Open" and in Retest

¹ See OSS Evaluation Project Report, Performance Metrics Update, dated August 29, 2003 for Illinois, Indiana, Michigan, Ohio and Wisconsin at <http://www.osstesting.com/>.

² See Ex Parte Letter from Colin S. Stretch, Kellogg, Huber, Hansen, Todd & Evans, P.L.L.C., to Marlene Dortch, FCC, WC Docket No. 03-167 (Aug. 19, 2003).

³ Exceptions 181 and 182 apply to the same issue (PM 104.1). They were issued separately because the PSCW required the testing for Wisconsin specific PMR4 data samples rather than allowing for a regional test. For

status. See Ehr/Fioretti Reply Aff. ¶¶ 46, 72. Thus, the current PMR4 status shows that BearingPoint has either not yet validated the corrective action implemented by SBC Midwest or has not yet completed its retesting, but no “serious questions” exist.

BearingPoint periodically updates the estimated completion date of PMR 4. The Ehr/Fioretti Affidavit at paragraphs 36 and 99 represented that, based on the then-current BearingPoint project plan, which had assumed “zero defects,” that the PMR 4 portion of the test was scheduled to be complete at the end of August, 2003. However, at that time, SBC Midwest noted that it “assumes that the actual completion date may be later.” Id. ¶ 36.

The most recent BearingPoint project plan, released by the ICC Staff on September 9, 2003, shows a projected completion date for PMR4 in Illinois as November 21, 2003. SBC Midwest expects similar completion dates in the other four states, but again notes that the actual completion date may be later.

4. What percentage of CIMCO’s LSRs were rejected as a result of the Centrex Common Block DR discussed in the Brown/Cottrell/Lawson Reply Affidavit, paragraph 139 and footnote 62?

During the month of July, approximately 0.3% of CIMCO’s LSRs were rejected for this reason.

5. What percentage of CIMCO’s BRI LSRs were rejected as a result of the second line assignable USOC issue discussed in the Brown/Cottrell/Lawson Reply Affidavit, paragraph 141 and footnote 63?

During the months of July and August, approximately 0.5% of CIMCO’s LSRs were rejected for this reason.

6. With regard to allegations of unproductive truck rolls:

(a) Please confirm that there are no steps SBC can take to prevent or minimize the “false positives” referred to in the Muhs Reply Affidavit and that SBC and CLECs are affected equally by the false positives.

As explained in the Muhs Reply Affidavit, paragraph 8, SBC Midwest’s Network Services Organization has in fact taken steps to validate and reinforce its testing procedures. Additionally, SBC’s 13-state Network staff has been working with its Mechanized Loop Testing (“MLT”) vendor, Tollgrade, on whether there might be other additional ways to further reduce false positives and false dispatches.

the purposes of this discussion they are referred to as “one” Exception since they reflect the same finding by BearingPoint and affect the reports in exactly the same manner across the SBC Midwest region. These Exceptions are in retest and SBC Midwest expects the BearingPoint will complete its testing and close them as “Satisfied” within a month.

SBC Midwest and CLECs are affected equally by this issue by virtue of the fact that provisioning for all customers relies on a single facilities database. Therefore, any errors in that database equally affect all types of customers. For example, at a specific customer location, any false positive associated with the connect through facility to that premise would occur whether the carrier is AT&T, MCI, SBC, or any other.

Additionally, SBC clarifies that when a technician performs a re-test of the failed circuit, the technician performed a single MLT test (i.e., not a Program Scan Test).

(b) Can SBC provide non-proprietary data to demonstrate the number of CLEC orders affected by human error or false positives is small (e.g., CLEC aggregate)?

Since a CLEC would typically submit a trouble report when a human error or false positive occurs in the provisioning of a No Field Work order, the report would be captured within PM 35 (Percent Trouble Reports Within 30 Days of Installation). Each of the BOC applicants has consistently achieved parity for PM 35 in both disaggregations (residence and business) associated with UNE-P No Field Work orders.

7. Please confirm that SBC updates its SOQAR daily.

All SOQAR Reports are set to refresh daily.

8. Please provide additional details concerning the “system architecture” differences between the SBC Midwest and the West and Southwest regions, discussed at paragraph 86 of the Brown/Cottrell/Lawson Reply Affidavit.

Attachment D to the Four-State Brown/Cottrell/Flynn Billing Affidavit depicts the service order flow for a UNE-P order from submission of the LSR to posting in the Midwest billing systems. To represent the same basic service order flow for UNE-P in the West and Southwest Regions, the “ASON” database in this diagram should be re-labeled “SORD” (which performs ASON functions in those regions) and the “ACIS” database relabeled as “CABS.” As this demonstrates, none of the processing after the “ACIS” block in the Midwest diagram is necessary for the posting of UNE-P service orders to the CABS database in the West and Southwest regions.

Because the Midwest posting process is serial, and some steps occur in a “batch” manner, it is not feasible that, on a regular basis, PTB notifications will be sent as quickly in the Midwest, as is possible in the West and Southwest regions where these additional processing steps do not apply.

- 9. When was the information discussed at paragraph 88 and footnote 55 of the Brown/Cottrell/Lawson Reply Affidavit, concerning the results of running Midwest PTB data against the programming logic for California PM 35, shared with the PM Collaborative?**

This information was provided by SBC via e-mail to the PM Collaborative on May 28, 2003.

- 10. Regarding SBC's willingness to allow Forte to use "tone on the line," please confirm that SBC would permit Forte's technicians to perform this test – not SBC's employees.**

As discussed in the Muhs Reply Affidavit, paragraph 19, if the service offering requested by Forte were ultimately deployed, once tone on the line was placed on a pair, Forte technicians would be able to use it to locate their UNE-P line.

- 11. Does SBC make cable & pair assignments available to CLECs anywhere in its footprint?**

No. SBC does not make cable & pair assignments available to CLECs anywhere in its footprint.

- 12. Paragraph 169 of the Cottrell/Lawson Affidavit states that SBC is filing quarterly CMCP status reports with the Michigan Public Service Commission. Is SBC also filing those reports with the Indiana, Illinois, Wisconsin and Ohio state commissions?**

Yes. Each of the BOC Applicants has committed to implement the CMCP and to provide quarterly CMCP status reports to its respective state commission. See Johnson Aff. ¶ 22 & Attach. A at 7 (Illinois); Butler Aff. ¶¶ 20 – 21 (Indiana); McKenzie Aff. ¶ 18 (Ohio); VanderSanden Aff. ¶¶ 21-22 & n.4 (Wisconsin). The second quarterly CMCP status report was filed on July 31, 2003 in each state.

- 13. With implementation of LSOG 5, did SBC eliminate a specific programming edit in LSOG 4 that would cause an LSR to reject if the CLEC requested a DSL-capable loop using the Yellow Zone Process ("YZP"), and the loop was over 17,500 feet? See TDS Metrocom Comments at 25-27.**

No. There was never such an edit in LSOG 4. However, SBC notes that implementation of such an edit is scheduled for the September 27th quarterly release. With this edit, when a CLEC requests that its order be processed through the YZP process, the LSR will be rejected if the loop is more than 17,500 feet. See Chapman Aff. ¶¶ 27-31 (providing additional detail concerning the YZP process).

14. Please respond to MCI's claim that the defects for release 6.0 have recently increased from 44 defects to 79 defects as of August 27th. See MCI Reply at 8.

MCI's contention that an increase in the number of defect reports reflected on the EDR evidences a decrease in the quality of SBC's releases is incorrect.

As discussed in detail in the Brown/Cottrell/Lawson Reply Affidavit, paragraph 17, MCI continues to ignore the fact that, unlike the earlier version of the Defect Report – which only listed defects reported by CLECs to OSS Support managers and/or the Mechanized Customer Production Support Center (“MCPSC”) – the new EDR (implemented in April 2003, as part of the Change Management Communications Plan) also lists potentially CLEC-impacting defects identified internally by SBC, as well as defects reported by CLECs to the LSC and/or IS Call Center. Thus, although the total number of reported defects has increased, the increase is simply a function of additional information being made available to the CLECs – and certainly is not an indication either of an increase in the actual number of defects, or a decrease in the quality of SBC's releases. This additional information is provided to allow CLECs to more accurately anticipate the impact of any programming changes made to correct the reported defects.

MCI similarly fails to note that the EDR is updated daily, and that the number of defect reports it reflects can vary widely from week to week, and even from day to day. The number of defects fluctuates at any given time because new defects are added, invalid defects are removed, and resolved defects are moved to another tab.⁴ Thus, the fact that the overall number of open defect reports reflected on the EDR may increase from one day or week to the next does not indicate that defects are “worsening.”

By the same token, defect reports may ultimately be removed from the EDR because, for example, they are duplicates, the user misunderstood how the system functioned, the data was incorrect for the scenario, or because the programming in question was in accordance with the existing business requirements. Indeed, as of September 10, 2003, SBC has closed 114 LSOG 6.0 defects with a Midwest impact – 53 of those were closed either as opened in error, or as a duplicate. Thus, the EDR currently contains defect reports that, upon analysis, may be determined not to be actual defects.

The strong evidence of commercial usage in the record also contradicts MCI's complaint about the quality of the LSOG 6.0 release. As set out in paragraph 12 of Attachment D to the Brown/Cottrell/Lawson Reply Affidavit, the large volumes of LSRs processed via LEX (with more than 45,000 unique PONs submitted via LEX in the Midwest, and more than 161,000 unique PONs submitted throughout SBC's 13-state region in the three weeks following the June LSOG 6 release) demonstrate the high overall quality of the LSOG 6.0 release.

This strong commercial use of LEX has continued. In both July and August, LEX was used to generate more than 60,000 service orders in the Midwest region. Similarly, between July

⁴ Defect reports that are corrected, determined to be duplicates or to have been opened in error are moved to the “Closed” tab on the EDR for a 90 period before being deleted.

1 and August 26, one CLEC that has migrated to version 6.0 on EDI submitted more than 78,800 LSRs in the Midwest region. See Brown/Cottrell/Lawson Reply Aff. ¶ 23 n.30; id. Attach. D ¶ 13. The fact that CLECs are able to submit such high order volume demonstrates that any defects in Release 6.0 are not CLEC-impacting to any significant effect.

The Brown/Cottrell/Lawson Reply Affidavit, paragraph 18, contains additional evidence demonstrating that the overall quality of SBC's releases is continuing to improve. Paragraph 20 contains additional information concerning the notification and information provided by SBC to the CLECs in compliance with the terms of the CMCP.

15. Since SBC's billing systems appear to be regional, how will problems detected or improvements made as a result of the Wisconsin collaborative be addressed or executed region-wide?

Generally speaking, billing problems or defects are investigated and resolved on a regional basis. To the extent that any specific billing problems or defects are identified in the Wisconsin collaborative that impact other SBC Midwest states, any such billing software fixes would be corrected on a regional basis, as applicable.

16. Please respond to MCI's allegations on page 7 of their reply comments, that SBC is refusing to pay interest for settled billing disputes at the rate required by the interconnection agreement.

SBC has now completed the process of calculating the interest in the particular scenario MCI references and will be working with MCI to identify the appropriate MCI BAN to credit. Based upon conversations between the account teams, SBC believes that this issue will be closed by MCI upon receipt of the interest credit.

ATTACHMENT B

- b. 1 of these would have been identified by the SOQAR Safety Net⁵¹ which was implemented on May 1, 2003 to prevent these types of errors.
- c. 3 of these involve scenarios for which SBC is currently developing a Safety Net report. This safety net will identify situations in which there is a D order related to two N orders. In some instances these situations cause line loss errors, so all such cases will be reviewed. SBC is targeting the rollout of this report in the September to November timeframe.
- On 28 27 TNs, manual processing issues resulted in a line loss being appropriately generated to MCI but the billing system not being updated to reflect the loss. Thus, the LIS file sent to MCI contained incorrect information on these 28 27 lines. All of these 28 27 errors occurred prior to the May 1, 2003 SOQAR Safety Net report, which was implemented to prevent these types of errors.
 - There was 1 TN where a manual processing issue similar to that described for the 28 27 TNs described above occurred. In this instance, a LLN was sent correctly but the service representative erroneously re-established the TN with MCI as opposed to the assuming carrier. As was the case with the 28 27 TNs, the age of this issue is such that it occurred prior to May 2003 and the SOQAR Safety Net report was not yet implemented.
 - **There was 1 TN where MCI submitted a request to migrate the TN to MCI, but in the process of submitting the orders to effect this migration, a Service Representative failed to make the appropriate entries into MOR/Tel that would**

⁵¹ For additional information regarding SOQAR Safety Net reports, *see infra* ¶ 73.

have enabled the Service Order Completion (SOC) notice to be sent to MCI.

Thus, while the account was migrated appropriately to MCI as requested,

because MCI did not receive the SOC, its records indicated that the account had

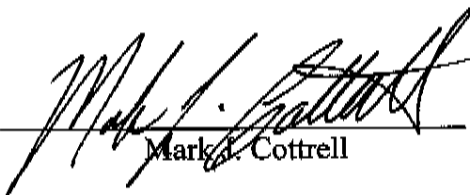
not yet migrated. This was the discrepancy that caused MCI to question this

TN.

- There was one TN where SBC identified MCI to have a record keeping error.

I hereby declare, under penalty of perjury, that the responses to Questions 1 and 2 in Attachment A are true and correct.

Executed on September 12, 2003.



Mark A. Cottrell

I hereby declare, under penalty of perjury, that the responses to Questions 1 and 3 in Attachment A are true and correct.

Executed on September 12, 2003.


Salvatore T. Fioretti

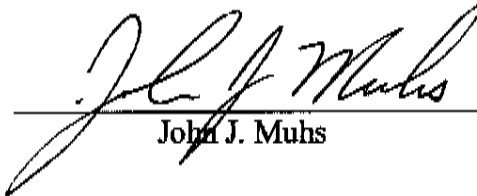
I hereby declare, under penalty of perjury, that the responses to Questions 2, 4, 5, 8, 12, 13 and 14 in Attachment A are true and correct.

Executed on September 12, 2003.


Beth Lawson

I hereby declare, under penalty of perjury, that the responses to Questions 2, 6, 10 and 11 in Attachment A are true and correct.

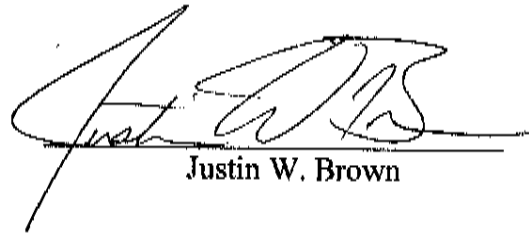
Executed on September 12, 2003.



John J. Muhs

I hereby declare, under penalty of perjury, that the responses to Questions 2, 7, 8 and 9 in Attachment A and Attachment B are true and correct.

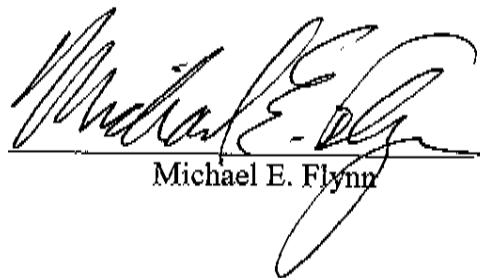
Executed on September 12, 2003.

A handwritten signature in black ink, appearing to read "Justin W. Brown", is written over a horizontal line. The signature is stylized with a large, sweeping initial "J" and "W".

Justin W. Brown

I hereby declare, under penalty of perjury, that the responses to Questions 2, 15 and 16 in Attachment A are true and correct.

Executed on September 12, 2003.



Michael E. Flynn